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C O N F I D E N T I A L KATHMANDU 001281

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DEPT FOR S/F, P AND SCA FROM THE AMBASSADOR
DEPT PASS TO USAID/ANE KUNDER

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TAGS: [EAID](#) [PREL](#) [MASS](#) [NP](#)
SUBJECT: NEPAL: SEIZING THE OPPORTUNITY FOR
TRANSFORMATIONAL ASSISTANCE

REF: STATE 77595

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

Summary and Introduction

1. (C) I believe we have a four-six month window to use our assistance to consolidate recent gains in democracy in Nepal. While some argue that development and governance should take a back seat to peace, I disagree. We need to help the government show it is making a difference in people's lives by delivering services so that its success is not solely measured on its ability to bring peace. Peace will depend largely on Maoist intentions, and no one wants the Maoists to have a veto over the new government's success. We have a limited window of opportunity and believe we should take a two-pronged approach: build the capacity of important government institutions, including the Peace Secretariat, the Election Commission, Parliament and the National Human Rights Commission, and deliver services on the ground, including by focusing on rural infrastructure and providing employment. We have e-mailed details on the suggestions discussed below. This assistance, at a cost of twenty million USD plus, could make a major difference in helping build a democratic, well-governed state in Nepal. A significant increase in USG assistance would also signal strong support to the new government during this fragile transitional stage. End Summary and Introduction.

Peace and Security

2. (SBU) With twin reciprocal cease-fires in place and work on a code of conduct ongoing, we want to help Nepal prevent a return to violence. The ten year conflict has already cost more than 13,000 lives; people want peace.

-- Additional assistance now to the Peace Secretariat would have an immediate impact on the peace process. We also propose to help set up regional peace secretariats to shape a peace process that reflects the realities outside of Kathmandu.

-- We are ready to provide assistance to the security forces if requested by the new government.

Governing Justly and Democratically

3. (SBU) Institutional strengthening is an immediate priority to help stabilize Nepal's new government.

-- Increased support to the National Human Rights Commission

would increase its ability to be a reliable domestic body for monitoring and reporting on abuses.

-- We want to increase our minimal assistance to the Elections Commission (EC) for voter outreach and education. National and international elections observers will also be required to ensure transparency in the event of credible parliamentary or constituent assembly elections.

-- We should help professionalize Parliament by providing technical support. We should also support the constitutional reform/constituent assembly process, through technical expertise and by assisting Parliament to implement a Constituent Outreach Strategy to interact with the public on its reform agenda.

-- Technical assistance should assist parties to identify policy priorities and build negotiation skills. We should also expand our political party reform program to increase our focus on establishing internal democracy and address significant gaps in party institutional capacity.

-- A fair, functioning, non-corrupt legal system will help build political support for the new government. Placing resident advisors with the police and the Attorney General's office would build a systematic approach to law enforcement and rule-of-law issues. A community-based police assistance program would improve capabilities and create positive community relationships between the public and police.

-- We should significantly expand support for judicial reform and anti-corruption in our work with the Supreme Court and the Commission for the Investigation of Abuse of Authority.

-- We should train civil society organizations to monitor Parliament, provide expert services to parliamentarians, and keep the Nepalese public informed. A public awareness campaign on constitutional reform would help make the process transparent and inclusive.

Investing in People and Economic Growth

14. (SBU) If peace negotiations with the Maoists go awry, it will be crucial for the new, democratic government to retain the support of the people. We should focus our assistance on delivering services around the country.

-- The need for roads, schools, health posts, and other community infrastructure in Nepal is immense. Rural areas lack critical infrastructure, and attacks by Maoists have damaged many of the existing schools and government buildings. Lack of infrastructure and widespread poverty have isolated rural communities and created frustration with the absence of government services and lack of jobs. Rebuilding infrastructure damaged by the insurgents will help the civilian population to recognize and support the authority of the state. We propose to significantly expand our critical rural employment program to stabilize communities and ensure a lasting peace.

-- Children have suffered the most under the Maoist insurgency. Thousands of orphans have been internally displaced and abandoned; hundreds of children were pressed into the Maoist People's Army, and millions of children's health and schooling were threatened. This program would provide: 1) protection, 2) critical health and counseling services, and 3) access to education to child victims of the conflict. When a Disarmament, Demobilization, Reintegration (DDR) process is underway, the program would reintegrate children released from detention and former child soldiers into communities.

Humanitarian Assistance

15. (SBU) The ten-year Maoist insurgency has displaced tens of

thousands of rural Nepalese. A sustained ceasefire and peace process in Nepal would allow large numbers of internally displaced persons (IDPs) to return to their villages.

-- We should provide critical reintegration assistance for vulnerable migrants, returning IDPs, and other impoverished households in receiving communities, positioning the USG to field large-scale DDR assistance as soon as Nepal is ready for it.

Comment

16. (C) I cannot overemphasize how urgent it is for the United States, and others in the international community, to kick-start assistance programs. Given the threat of the Maoists and questions as to whether they sincerely want to reenter the political mainstream, an energetic assistance program that has immediate impact will go far to address our twin goals in Nepal of addressing the Maoist insurgency and restoring democracy. This is our chance to help transform Nepal and to give peace a chance to take root.
MORIARTY